

TAX YEAR 2004 W-2 DATA MAGNETIC MEDIA FILING INSTRUCTIONS



SUMMARY OF ANNUAL WITHHOLDING REPORTING REQUIREMENTS

Annual Summary, Form VA-6

Every employer must file an annual summary on Form VA-6 or file using the VATAX Online ifile application at **www.tax.state.va.us**. Form VA-6 is due on February 28. If you close your account before the end of the year, you must file Form VA-6 within thirty days of the last month in which you pay wages.

Form W-2 Submissions

When filing Form VA-6, you must attach copies of any federal income statement form from the W-2 or 1099 series that reflect Virginia income tax withheld. The federal forms usually required are Forms W-2, W-2G and 1099-R.

Form 1099 Requirements

You are only required to file copies of Form 1099 with the Department if the forms show Virginia income tax withheld. If you participate in the combined Federal / State Filing Program (CF/SF) for 1099-R, you do not need to file the form with Virginia; however, by February 15, 2005, you must notify the department in writing of your intent to participate in the program. Mail the letter to: Virginia Department of Taxation, W-2 Processing, P. O. Box 1278, Richmond, Virginia 23218-1278. See federal *Publication 1220* for information on how to participate. The filing of all

other information returns with the IRS is adequate for purposes of complying with Virginia filing requirements.

Magnetic Media Reporting

See the section below for specifications. The Department of Taxation accepts cartridge, CD and diskette filing of W-2 information only. The data must be in SSA MMREF-1 format. Form 1099 information must be reported on paper copies unless you participate in the combined Federal / State Filing Program (CF/SF).

You can request a copy of the MMREF-1 requirements from the Social Security Administration by calling (215) 597-4632, or accessing the SSA web site at: www.ssa.gov / employer.

We cannot return your processed cartridges, CDís or diskettes. To ensure data security, however, all data is erased after we complete processing.

NOTE: In addition to submitting W-2 data to the Department of Taxation, **you must submit state employment data to the Virginia Employment Commission (VEC)**. You can use ifile to file and pay Unemployment Taxes with the VEC by accessing either the TAX or VEC web site. To contact the VEC by phone, call (804) 786-3066 or (804) 786-7159.

MAGNETIC MEDIA FILING SPECIFICATIONS

Mandate

An employer who furnishes 250 or more employee wage statements (W-2 forms) must submit their W-2ís by magnetic media. Each file must contain W-2 information for a single tax year only. A file containing multiple tax years will be rejected.

If we are unable to process your submission because of a format error or technical problem, we will return it to you with an explanation of the problem we encountered.

The Virginia magnetic media formats described in this booklet are for tax year 2004. If you are preparing data for another tax year, please request a copy the most current specifications from Customer Services at (804) 367-8037.

Required Documents

Magnetic media must be accompanied by Form VA-6, *Annual or Final Summary of Virginia Income Tax Withheld*, or ifile VA 6 confirmation, and a transmittal form. A copy of the transmittal form is included in this booklet.

Mail to:

**Department of Taxation
W-2 Processing
P.O. Box 1278
Richmond, Virginia 23218-1278**

To ensure the security of your data, all information is erased after processing.

Acceptable Media

Magnetic Cartridges

We accept 3480 or 3490 Cartridge submissions. 3490 cartridges are preferred. Cartridges may be compacted or non-compacted. **We do not accept any Reel or 8 millimeter tape cartridges.** Multiple-cartridge files will not be accepted.

Compact Discs

CDís must conform to ISO 9660 standards (Standard CD-R, **NOT** CD-RW). Data must be in UPPER CASE letters.

The file must be named W2REPORT, without an extension. The CD must not contain any other file or data set and there must be only one file, named W2REPORT, in the root directory. CDs must not contain Zipped files.

Label your CD using black permanent marker with the type of data, tax year, name of submitting company, contact person and phone number.

Remember: We are unable to return any magnetic media.

Diskettes

We accept double density or high density 3 1/2" diskettes. Data must be in UPPER CASE letters.

Name the file W2REPORT (no extension on the file name). The diskette **must contain only one file**. If a file can not be contained on one diskette, you may compress your diskette file using a ZIP process. Use a ZIP compatible compression program like WINZIP (Any version) or PKZIP 2.50 (Windows) or 2.04g (DOS) to create the W2REPORT.ZIP file (Only PKZIP version 2.04g compatible files will be accepted). **Do not use a ZIP disk**. The unzipped file must be named W2REPORT and the zip file must be named W2REPORT.ZIP.

DO NOT confuse multiple diskettes with multiple-volume files. Refer to your SSA publication for an explanation of multiple-volume file. Multiple diskettes must each be labeled VOL 1 of 1; but a multiple-volume file must be labeled VOL 1 of 3, VOL 2 of 3, etc.

Label Each Submission

TAXBT61 W-2 DATA TAXYEAR _____
NAME OF SUBMITTING COMPANY _____
CONTACT PERSON PHONE _____
DENSITY *VOL _____ of _____

* Diskette only

Required Records - MMREF-1

The following data records are required. Other records specified in MMREF-1 may be included in your file but will not be used. **Each data record must be 512 bytes.**

- **CODE RA - submitter Record**
Length = 512
As submitted to the Social Security Administration.
- **CODE RE - Employer Record**
Length = 512
As submitted to the Social Security Administration.
- **CODE RS - State Record**
Length = 512
As submitted to the Social Security Administration or use layout on next page.
- **CODE RF - FINAL RECORD**
Length = 512
As submitted to the Social Security Administration or modified to contain only Virginia data.

NOTE: The SSA does not require the (RS) record but Virginia does. If you created an RS record for your federal submission, Virginia will accept this. If not, you must create an RS record for each employee reported. See the next page for the RS record layout fields required by Virginia. The state code for Virginia (51) must be on each RS record.

Record Delimiters

We prefer files without record delimiters. If you use record delimiters (a sequential file), a record delimiter must follow each record in the file (RA,RE,RS) except the last record (RF). The record delimiter must consist of two characters, and those characters must be carriage return and line feed (CR/LF).

Line-Feed is ASCII character 10 (0A HEX) and carriage-Return is ASCII character 13 (0D HEX). If using UNIX, manually insert the proper characters, as Unix does not automatically insert Carriage Return characters. Windows programs, like Notepad, automatically insert Carriage-Return Line-Feeds when you press the Enter Key at the end of the line. Make sure each record is exactly 512 characters by adding spaces at the end.

The carriage return character and the line feed character must be placed in positions 513 and 514, respectively. **EXCEPTION:** For multi-volume diskette files, there must be no CR/LF after the last record on each diskette.

Other Rules for Delimiters: 1)DO NOT place a record delimiter before the first record of the file; 2) DO NOT place more than one record delimiter i.e., more than one carriage return / line-feed combination, following a record; 3) DO NOT place record delimiters after a field within a record.

If you do not use record delimiters (a random file), DO NOT place either a Carriage Return or a Line Feed after the last character of each record. For example, as each record is 512 bytes long, the first byte of the second record will be in 513.

Common Reasons for File Rejection

- 1) The file must be named **W2REPORT**, without an extension. The only exception is a zipped file. Then the disk will be named W2REPORT.ZIP and the internal file named W2REPORT.
- 2) Each record must be **512 bytes** long.
- 3) Each file must contain an **RA, RE, RS and RF** record. A business may submit a copy of the same file to Virginia and the SSA, provided the file contains valid RS records. Since RS records are optional for the SSA, not all SSA submissions reflect this data.
- 4) The **State Code** must be posted both in positions 3-4 and 274-275 on the RS record. This identifies the state to which the data pertains. The value must be **51** for Virginia.
- 5) Fields identified as **numeric** may not contain blanks. If your record layout is off by even 1 position, this problem will occur.
- 6) For a sequential file, each record, except the last, must be followed by **both** a carriage return **and** a line feed.
- 7) For a random file, **neither** a carriage return **nor** a line feed should be on the file.

LAYOUT for CODE RS - STATE RECORD Use this record layout only if your Federal Submission did not contain RS records.

LOCATION	FIELD	LENGTH	SPECIFICATIONS
1-2	Record Identifier	2	Constant RS
3-4	State code	2	FIPS postal numeric code. This is a numeric field. (51 = Virginia)
5-9	Blank	5	Blank
10-18	Social Security Number	9	The employee's SSN. If not known, enter zeros.
19-33	Employee First Name	15	First name as shown on Social Security Card. Left justify and fill with blanks.
34-48	Employee Middle Name or Initial	15	If applicable , enter as shown on Social Security Card. Left justify and fill with blanks. Otherwise leave blank.
49-68	Employee Last Name	20	Last name as shown on Social Security Card. Left justify and fill with blanks
69-72	Suffix	4	If applicable , enter an alphabetic suffix (Sr, Jr, etc.) Do not use periods. Left justify and fill with blanks.
73-94	Location Address	22	Enter the location address (Suite, Attention, Room Number, etc.). Left justify and fill with blanks.
95-116	Delivery Address	22	Left justify and fill with blanks.
117-138	City	22	Left justify and fill with blanks.
139-140	State Abbreviation	2	Enter Postal abbreviation. This is an alpha field (VA = Virginia). Fill with blanks if foreign address.
141-145	Zip Code	5	Enter the employee's 5-digit zip code.
146-149	Zip Code Extension	4	Enter the employee's 4-digit zip code extension. Fill with blanks if unknown.
150-154	Blank	5	Blank
155-177	Foreign State/ Province	23	If applicable , enter the foreign state/province. Left justify and fill with blanks.
178-192	Foreign Postal Code	15	If applicable , enter the foreign postal code. Left justify and fill with blanks.
193-194	Country Code	2	If applicable , in accordance with SSA requirements enter the foreign country code or fill with blanks.
195-247	Blank	53	Blank
248-267	Virginia Employer Account Number	20	Virginia account number as it appears on the associated Form VA-6. This is an Alpha/Numeric field. Right justify and fill with blanks. Many Virginia account numbers begin with zeros. DO NOT eliminate these zeros.
268-273	Blank	6	Blank
274-275	State Code	2	FIPS postal numeric code. This is a numeric field. (51 = Virginia)
276-286	State Taxable Wages	11	Right justify and zero fill. This is a numeric field.
287-297	State Income Tax Withheld	11	Right justify and zero fill. This is a numeric field.
298-512	Blank	215	Blank

Specific Instructions for Transmittal Form

- BLOCK 1** Enter the Tax Year of the W-2 data and the Total Virginia Taxes as withheld and reported to Tax.
- BLOCK 2** Enter your 9-digit IRS-assigned EIN number.
- BLOCK 3** Enter the number of 3480 or 3490 cartridges, CDís, or diskettes sent in this transmittal.
- BLOCK 4** Enter the inventory number of each diskette or CD. The inventory number is any identification number you assign. If this block is not applicable, leave blank. *Multiple diskettes or CD files must be **CLEARLY MARKED** as multiple diskettes or CDís of the same file (iVOL 1 of 3i, iVol 2 of 3i, etc.).*
- BLOCK 5** Indicate if Form VA-6 is enclosed, already mailed or iFiled, or will be mailed later.
- BLOCK 6** Enter your name, address, and telephone number.
- BLOCK 7** Enter name, address, and telephone number of your payroll contact, if different from Block 6.
- BLOCK 8** Enter name, address, and telephone number of your programming contact, if different from Block 6.
- BLOCK 9** Sign and date the declaration statement.

NOTE: *If you are submitting W-2 information for an employer other than yourself, you MUST fill out Blocks 10, 11, and 12 on the back of the transmittal.*

- BLOCK 10** Enter the submitterís name and FEIN, and the number of Employers listed on the file.
- BLOCK 11** List the employers name and FEIN as well as the total Virginia tax withheld as reported on the Magnetic Media medium.
- BLOCK 12** Total taxes withheld in Block 11. This amount must equal the amount in Block 1

Mailing Magnetic Diskettes and CDs

Place the transmittal form and the magnetic media diskette, in a mailer with proper padding to prevent damage in transit. Specially-sized mailers for CDís and diskettes are available commercially. Insert each diskette in its own protective sleeve before packaging. Mark the outside of the package iMAGNETIC MEDIAi. **DO NOT use paper clips, rubber bands, or staples on diskettes.** Use only disposable mailers. CDs should be mailed using USPS approved CD Mailers. We are unable to return special containers or acknowledge receipt of your magnetic media. If you require an acknowledgment, please send your file by U.S. Postal RETURN RECEIPT procedures.

Send the package with a copy of this transmittal to:

**DEPARTMENT OF TAXATION
W-2 PROCESSING
P.O. BOX 1278
RICHMOND, VIRGINIA 23218-1278**

Boxes 1-6 and 9 MUST be completed. Payroll Services MUST fill out back of transmittal.

Transmittal for Virginia W-2 Information on Magnetic Media (See reversed side for Instructions)		1. Tax Year ____ _ Total Virginia Taxes Withheld \$ _____
2. Federal Employer Identification Number of Transmitter _____	3. Number and type of reporting medium _____ 3480 or 3490 Cartridge _____ CDís _____ Diskette(s)	4. Transmitter's magnetic media inventory numbers (if any)
5. Annual or Final Summary of Income Tax Withheld, Form VA-6, or Business iFile confirmation, check one: _____ Enclosed _____ Sent by mail/iFile _____ Will be mailed later		
6. Name and address of transmitter, <i>include street, city, state, and zip code</i> : Telephone Number (____) _____		
7. Name and address of payroll contact, <i>if different from 6</i> : Telephone Number (____) _____		
8. Name and address of programming contact, <i>if different from 6</i> : Telephone Number (____) _____		
9. I declare that I have examined this information and to the best of my knowledge and belief it is true, correct, and complete. _____ SIGNATURE _____ DATE		

Send magnetic media package with copy of transmittal to:

**DEPARTMENT OF TAXATION
W-2 PROCESSING
P.O. BOX 1278
RICHMOND, VIRGINIA 23218-1278**

VIRGINIA EMPLOYER INCOME TAX WITHHOLDING RECAP OF FILES SUBMITTED

10. SUBMITTER'S NAME	SUBMITTER'S FEIN	NUMBER OF FILES REPORTED

[illegible]

12. TOTAL EMPLOYER INCOME TAX WITHHELD	
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